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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

SEP 20 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

800 Data Base Access )

Tariffs and the )

800 Service Management )

System Tariff )

CC Docket No. 93-129

TO: Chief, Common Carrier Bureau

**DIRECT CASE OF LAFOURCHE TELEPHONE COMPANY**

**INTRODUCTION**

Lafourche Telephone Company ("Lafourche"), by its attorneys, hereby submits its response to the request for information in the above-referenced proceeding. The response of Lafourche includes comments in support of its methodology for rate development, answers to questions 1 through 11 in Appendix B of the Commission's Order Designating Issues for Investigation, DA 93-930, CC Docket No. 93-129 (rel. July 19, 1993) (the "Order"), and a completed copy of the Tariff Division's spreadsheet analyzing the costs for 800 data base service.

**BACKGROUND**

Lafourche filed its original access tariff for 800 data base service on March 5, 1993, in accordance with the Commission's Second Report and Order, FCC 93-53 (rel. Jan. 29, 1993) and Memorandum Opinion and Order on Further Reconsideration, FCC 93-54 (rel. Jan. 29, 1993) in CC Docket No. 86-10. On April 29, 1993, Lafourche filed a supplement to its 800 data base tariff in accordance with the Commission's order in In the Matter of the Bell Operating Companies Tariff for the 800 Service Management System, Tariff F.C.C. No. 1 and 800 Data Base Access Tariffs, 8 FCC Rcd 3242. The supplement advanced the effective date of the tariff and suspended for one day the rates and regulations contained in Lafourche's March 5 filing.

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On July 19, 1993 the Commission released its Order designating the issues for investigation concerning the tariff filings of local exchange carriers (LECs) which introduced the rate structure for 800 access service. In this order, Lafourche was directed to respond to eleven questions contained in Appendix B of the Order and to complete the parts of the Tariff Division's spreadsheet that apply to the functions included as costs for Lafourche's 800 data base service.

### RATE DEVELOPMENT

In its original rate filing, Lafourche presented cost support information justifying a rate of \$0.032 per interstate 800 query. This rate was determined based on an analysis of Lafourche's cost for the period ended December 31, 1991. Lafourche's cost was calculated to be \$0.025 per 800 query. An additional cost of \$0.007 per query was added to account for the data base charge from the data base provider, Independent Telecommunications Network (ITN).

In determining the cost for the provision of 800 data base service, Lafourche used the historic test period ended December 31, 1991. The costs allocated directly to 800 data base service include the cost of central office equipment software added specifically for the provision of 800 data base service in the amount of \$31,428 and one-half of the annual lease cost of "A links" required to deliver 800 data base queries from the Service Switching Point (SSP) to the Signal Transfer Point (STP) in the amount of \$18,000. All other 800 data base costs are allocated through a cost allocation process using Part 36 of the Commission's rules.

Lafourche's costs associated with the provision of 800 data base service based on the year 1991 are presented in Schedule A and amount to \$47,040. Interstate 800 data base service costs were determined based on the ratio of interstate 800 messages to total 800 messages for the year 1992. Interstate 800 messages represent approximately 64.59% of total 800 messages for the year 1992. Lafourche's interstate 800 data base service costs for the year 1991 are presented in Schedule A and amount to \$30,385. Lafourche's resulting cost per interstate 800 data base query amounts to \$0.025. Upon adding ITN's cost of \$0.007 per query, the total cost per interstate 800 data base query amounts to \$0.032.

### DEMAND QUANTITIES

In determining the cost per 800 data base query, Lafourche used total 800 messages for the year 1992 as this was the latest information available at the time of the filing. Lafourche did not reduce or otherwise adjust its test period demand for unbillable queries, but used total 800 messages of 1,880,381, of which approximately 64.59% or 1,214,599 represent interstate 800 messages.

## RESPONSE TO QUESTIONS IN APPENDIX B

Lafourche's responses to the questions contained in Appendix B of the Order are presented in Attachment 1. A copy of the 800 data base spreadsheet requested by the Tariff Division is also provided on both paper record and on floppy diskette. The 800 data base spreadsheet provided on paper record is presented in Attachment 2. Attachment 3 contains an addendum for other 800 data base investments not included in the FCC's Appendix B spreadsheet. Attachment 4 is Lafourche's cost allocation model used to assign costs to 800 data base query services, provided in accordance with Issue 6 of the Order concerning the reasonableness of cost allocations.

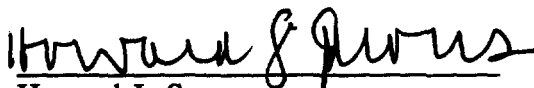
## CONCLUSION

In responding to the all applicable Commission requests for information concerning the provision of 800 data base query service, Lafourche believes it has sufficiently justified its 800 data base query charge contained in its original access service tariff filing dated March 5, 1993, and proposes no change to its access service tariff.

Respectfully submitted,

LAFOURCHE TELEPHONE COMPANY

By:



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September 20, 1993

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**LAFOURCHE TELEPHONE COMPANY**  
**DEVELOPMENT OF 800 DATABASE QUERY CHARGE**  
**BASED ON THE YEAR ENDED DECEMBER 31, 1991**

	<u>Total</u>	<u>Interstate</u>
1. Originating 800 Messages	1,880,381	1,214,599
2. Percent Distribution	100.00%	64.59%
 <u>Revenue Requirement - 800 Database</u>		
3. Plant In Service	\$40,044	\$25,866
4. Accumulated Depreciation	(\$12,775)	(\$8,252)
5. Deferred Taxes and Credits	(\$4,030)	(\$2,603)
6. Misc Telephone Plant	\$2,315	\$1,495
7. Net Telephone Plant	\$25,554	\$16,506
8. Return @ 11.25%	\$2,875	\$1,857
9. Plant Specific Expense	\$20,956	\$13,536
10. Plant Non Specific Expense	\$735	\$475
11. Depreciation & Amortization	\$3,878	\$2,505
12. Services Expense	\$0	\$0
13. Corporate Operations	\$17,051	\$11,014
14. Other Expense & Tax	\$912	\$589
15. Income Tax Expense	\$633	\$409
16. Total Expense and Tax	\$44,165	\$28,528
17 Total Revenue Requirement	<u>\$47,040</u>	<u>\$30,385</u>
18. Company Cost Per Interstate Query		\$0.025 -
19. Query Charge from Database Provider (ITN)		<u>\$0.007</u>
20. Total Cost Per Interstate Query		<u><u>\$0.032</u></u> -

**LAFOURCHE TELEPHONE COMPANY  
800 DATABASE DATA REQUEST  
APPENDIX B SECTIONS III AND IV**

**Section III. Demand**

- Q1. For 800 data base service, provide the demand level used in your cost calculations.
- A1. Lafourche Telephone Company used the test period ended December 31, 1992 in determining its 800 message demand for data base query service. The 1992 demand is presented as follows:

Study Period - 1992

Intrastate 800 messages	665,782
Interstate 800 messages	<u>1,214,599</u>
Total 800 messages	<u>1,880,381</u>

- Q2. If in calculating your costs, you lowered your demand estimate to compensate for unbillable queries, thereby increasing costs, provide the percent by which you lowered demand.
- A2. Lafourche Telephone Company did not reduce demand for unbillable queries, therefore this question does not apply.

**Section IV. Other**

- Q3. Explain and justify your rationale for the factor used to decrease demand for your ratemaking calculations.
- A3. This question does not apply.
- Q4. Provide the name of the SCP provider for your query service.
- A4. Independent Telecommunications Network (ITN)
- Q5. Provide the per query rate on which your rates were based.
- A5. The charge per query charged by ITN amounts to \$0.007

- Q6. Did your SCP provider(s) revise rates since your original rate calculations?
- A6. ITN has not revised its data base query charge since Lafourche's original rate filing.
- Q7. If your SCP provider(s) revised rates, have you revised your rates to reflect the change in your costs?
- A7. This question does not apply
- Q8. If you use two or more SCP providers and develop a composite query cost, explain how the composite is calculated for inclusion in your rates.
- A8. Lafourche Telephone Company does not use two or more SCP providers.
- Q9. If you use a transport provider, provide the name and per query rate assessed by that provider.
- A9. Lafourche Telephone Company leases transport from ITN at a fixed monthly cost of \$3,000 per set of "A links". Lafourche has included half of this cost in developing the annual cost for 800 data base service.
- Q10. Provide worksheets showing all relevant data and calculations.
- A11. All relevant data and calculations used in developing the annual revenue requirement for 800 data base service are presented on Attachment 4.
- Q11. Include and justify any other costs incurred to provide 800 service.
- A11. Other investments not included in the FCC APP-B spreadsheet are presented on Appendix 3. These investments represent General Support Facilities (GSF) allocated to data base services based on a ratio of 800 data base COE to total COE, IOT and CWF. The GSF investment allocated to 800 data base service which is not included in the FCC APP-B spreadsheet amounts to \$3,164 with an annual cost of \$1,299. An analysis of the annual cost of other GSF investment is presented on Attachment 3.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Lead	Buildings	General	Analog	Digital	Radio	Circuit	Other	Poles	Aerial	Underground	Buried	Instr&Sig	Aerial	Conduit	Total
	Acct 2111	Acct 2121	Acct 2124	Acct 2211	Acct 2212	Acct 2231	Acct 2232	Terminal	Acct 2411	Acct 2421	Acct 2422	Acct 2423	Acct 2428	Acct 2431	Acct 2441	
1. Unit Cost and Investment																
STP/SCP Signalling Unit																
Unit Investment																
Unit Costs																
Depreciation																
Net Return																
Federal Income Tax																
State & Local Income Tax																
Maintenance																
Administration																
Other Tax																
Other Direct Expense																
Overhead Loadings																
Total																
Local STP/Regional STP Signalling Unit																
Unit Investment																
Unit Costs																
Depreciation																
Net Return																
Federal Income Tax																
State & Local Income Tax																
Maintenance																
Administration																
Other Tax																
Other Direct Expense																
Overhead Loadings																
Total																
Tandem Switch																
Unit Investment																
Unit Costs																
Depreciation																
Net Return																
Federal Income Tax																
State & Local Income Tax																
Maintenance																
Administration																
Other Tax																
Other Direct Expense																
Overhead Loadings																
Total																
SSP																
Unit Investment																
Unit Costs																
Depreciation																
Net Return																
Federal Income Tax																
State & Local Income Tax																
Maintenance																
Administration																
Other Tax																
Other Direct Expense																
Overhead Loadings																
Total																
SSP																
Unit Investment																
Unit Costs																
Depreciation																
Net Return																
Federal Income Tax																
State & Local Income Tax																
Maintenance																
Administration																
Other Tax																
Other Direct Expense																
Overhead Loadings																
Total																

30880

3513

2848

441

142

2381

734

707

18000

17196

45742

31428

3285

2258

378

121

1338

733

602

0

1787

10488

609

91

44

7

2

114

0

12

0

0

270

4689

127

337

56

18

882

1

90

0

0

1511

155

0

11

2

1

28

0

3

0

0

46





INFORMATION REQUEST FOR 800 DATABASE SERVICE COSTS  
OTHER INVESTMENT NOT INCLUDED IN FCC APP-B WORKSHEET

	A	B	C
	Total from APP-B File	Remaining Gen Support Facilities	Total
I. Unit Cost and Investment - OTHER			
STP/SCP Signalling Link			
Unit Investment			
Unit Costs			
Depreciation			
Net Return			
Federal Income Tax			
State & Local Income Tax			
Maintenance			
Administration			
Other Tax			
Other Direct Expense			
Overhead Loadings			
Total			
Local STP/Regional STP Signalling Link			
Unit Investment			
Unit Costs			
Depreciation			
Net Return			
Federal Income Tax			
State & Local Income Tax			
Maintenance			
Administration			
Other Tax			
Other Direct Expense			
Overhead Loadings			
Total			
Tandem Switch			
Unit Investment			
Unit Costs			
Depreciation			
Net Return			
Federal Income Tax			
State & Local Income Tax			
Maintenance			
Administration			
Other Tax			
Other Direct Expense			
Overhead Loadings			
Total			
SSP			
Unit Investment	36880	3164	40044
Unit Costs			
Depreciation	3513	365	3878
Net Return	2648	227	2875
Federal Income Tax	441	38	479
State & Local Income Tax	142	12	154
Maintenance	2361	595	2956
Administration	734	1	735
Other Tax	707	61	768
Other Direct Expense	18000	0	18000
Overhead Loadings	17198	0	17198
Total	45742	1299	47041

Lafourche Telephone Co.  
800 Database Data Request

Attachment 4  
Page 1 of 3

Investment		Part 36 Ratios					
Description	Reference	Unseparated	800	Land, Bld'g &	800 Db Direct	IOT,...	TPIS
		Tariff	Database	Computer to	Invest. (7B)	Percentages	Percentages
		Amount	Amounts	Total Gen Sup	to 5A,6A,8A	1A/8A & 5A/8A	1A/9A & 5A/9A
		A	B	C	D	E	F
1 General Support Investment		\$8,356,252				27.4148%	21.5159%
2 Land		\$149,954		1.7945%			
3 Buildings		\$4,547,637		54.4220%			
4 Gen Purpose Computers		\$590,114		7.0619%			
5 COE Investment		\$10,989,041			0.2860%	36.0520%	28.2949%
6 COE Switching Investment		\$7,134,185			0.4405%		
7 Direct 800 Investment			\$31,428				
8 COE, IOT, C&WF Investment		\$30,481,071			0.1031%		
9 TPIS		\$38,837,510					
GS Subaccounts:							
10 Land		\$149,954					
11 Buildings		\$4,547,637					
12 Gen Purpose Computers		\$590,114					
GS Subaccounts 800 Db:							
13 Land	10Ax8D		\$155				
14 Buildings	11Ax8D		\$4,689				
15 Gen Purpose Computers	12Ax8D		\$608				
16 Remaining General Support		\$3,068,547		36.72%			
17 Effect on Db Allocation	16Ax8D		\$3,164				
18 Total 800 Db Investment			\$40,044	100.00%			
			=====	=====			

Expenses

Description	Reference	Unseparated Tariff Amount	800 Database Amounts	Percentage of 800 Db Exp's to Total Big 3
		A	B	C
<b>Depreciation Expense:</b>				
19 Buildings	19Ax8D	\$123,348	\$127	
20 Gen Purpose Computers	20Ax8D	\$88,076	\$91	
21 COE Cat 3	21Ax8D	\$737,644	\$3,250	
22 COE undistributed	Direct	\$15,834	\$45	
23 Remaining GS	23Ax8D	\$354,465	\$365	
<b>Maintenance Expense:</b>				
24 Gen & Net Support Expense		\$1,571,155		
25 Land	24Ax2Cx8D *		\$29	
26 Buildings	24Ax3Cx8D		\$882	
27 Gen Purpose Computers	24Ax4Cx8D		\$114	
28 COE Maintenance Expense	Direct		\$658	
29 COE Other (Oper & Trans)	Direct		678	
30 Remaining GS	24Ax16Cx8D		\$595	
<b>Administration:</b>				
31 Network Expense		\$703,129		
32 COE	Direct		\$725	
33 Other Plant Expense		\$9,841		
34 Land	33Ax2Cx1Fx8D		\$0.05	
35 Buildings	33Ax3Cx1Fx8D		\$1.19	
36 Gen Purpose Computers	33Ax4Cx1Fx8D		\$0.15	
37 COE	33Ax5Fx5D		\$7.98	
38 Remaining GS	33Ax16Cx1Fx8D		\$0.80	
<b>Other Direct Expense:</b>				
39 C&WF (A-Link)	Direct		\$18,000	
40 Total Big Three Expenses		\$3,420,942		
41 Land				0.0000%
42 Buildings				0.0000%
43 Gen Purpose Computers				0.0000%
44 COE Maint & Direct Exp	(28B+29B+32B)/40A			0.0602%
45 C&WF	39B/40A			0.5262%
<b>Overhead Loadings:</b>				
46 Executive, Gen Admn, & Contr's		\$2,932,412		
47 Land			\$0	
48 Buildings			\$0	
49 Gen Purpose Computers			\$0	
50 COE Maint & Direct Exp	46Ax44C		\$1,767	
51 C&WF	46Ax45C		\$15,429	
52 Other Taxes and Rent Revenue:		\$744,418		
53 Land	52Ax2Cx1Fx8D		\$3	
54 Buildings	52Ax3Cx1Fx8D		\$90	
55 Gen Purpose Computers	52Ax4Cx1Fx8D		\$12	
56 COE	52Ax5Dx5F		\$602	
57 Remaining GS	52Ax16Cx1Fx8D		\$61	
58 Total Expenses & Other Taxes			\$43,533	
			=====	

Return & Income Taxes

Return & Income Taxes		800	800	
Description	Reference	Database Amounts	Return or Tax Amounts	
		A	B	
Net Return:				
59	Net Investment	\$25,554		
60	800 Database Investment	\$40,044		
61	Ratio	59A/60A	63.82%	
62	Land	62Ax61A	\$155	\$11
63	Buildings	63Ax61A	\$4,689	\$337
64	Gen Purpose Computers	64Ax61A	\$608	\$44
65	COE	65Ax61A	\$31,428	\$2,256
66	Remaining GS	66Ax61A	\$3,164	\$227
Federal Income Tax:				
67	Federal Tax	\$479		
68	800 Database Investment	\$40,044		
69	Ratio	67A/68A	1.20%	
70	Land	70Ax69A	\$155	\$2
71	Buildings	71Ax69A	\$4,689	\$56
72	Gen Purpose Computers	72Ax69A	\$608	\$7
73	COE	73Ax69A	\$31,428	\$376
74	Remaining GS	74Ax69A	\$3,164	\$38
State Income Tax:				
75	State Tax	\$154		
76	800 Database Investment	\$40,044		
77	Ratio	75A/76A	0.38%	
78	Land	78Ax77A	\$155	\$1
79	Buildings	79Ax77A	\$4,689	\$18
80	Gen Purpose Computers	80Ax77A	\$608	\$2
81	COE	81Ax77A	\$31,428	\$121
82	Remaining GS	82Ax77A	\$3,164	\$12
83	Total Return and Taxes		\$3,508	
84	Total Revenue Requirement		\$47,041	

## **CERTIFICATE OF SERVICE**

I, Howard J. Symons, do hereby certify that copies of the foregoing Direct Case of Lafourche Telephone Company were served by hand on the following this 20th day of September 1993.

  
Howard J. Symons

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